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California Corporations Commissioner
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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the Matter of THE CALIFORNIA
CORPORATIONS COMMISSIONER,

Complainant,

v.

DEPENDABLE ESCROW CO.,

Respondent.

) File No.: 963-0873

) **ACCUSATION**

The Complainant is informed and believes, and based upon such information and belief,
alleges and charges Respondent as follows:

I.

Respondent Dependable Escrow Co. ("Dependable Escrow") is an escrow agent licensed by
the California Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the
Escrow Law of the State of California (California Financial Code, § 17000, *et seq.*) ("Escrow Law").

II.

Pursuant to Financial Code section 17406, all licensees under the Escrow Law are required to
file an annual audit report containing audited financial statements ("annual audit report") within one
hundred five (105) days after the close of their fiscal year. Dependable Escrow's fiscal year-end is

December 31st. Accordingly, Dependable Escrow was required to file its audit report for the fiscal year ended December 31, 2007 on or before April 15, 2008.

On or about April 14, 2008, Dependable Escrow's principal wrote to the Commissioner's special administrator, requesting a filing extension for its annual audit report. On or about April 15, 2008, the Commissioner's special administrator granted Dependable Escrow a two-week filing extension. Accordingly, Dependable Escrow had until April 30, 2008 to file its annual audit report for the fiscal year ended December 31, 2007. The Commissioner's special administrator specifically warned Dependable Escrow in writing, that should it fail to file its annual audit report by the April 30th date, penalties would accrue from the original filing deadline of April 15, 2008.

Dependable Escrow failed to file its annual audit report by April 30, 2008.

Finally on or about May 7, 2008, the Commissioner again notified Dependable Escrow in writing of the due date of its annual audit report and the possibility of the imposition of fines if the report was filed late. To date, Dependable Escrow has yet to file its annual audit report with the Commissioner as is required by Financial Code section 17406.

Last year Dependable Escrow was 58 days late in filing its annual audit report for its fiscal year ended December 31, 2006. On or about October 3, 2007, the Commissioner imposed penalties of \$5,800.00 against Dependable Escrow for its failure to timely file its 2006 annual audit report, pursuant to Financial Code section 17408.

III.

Financial Code section 17406, subdivision (a) provides:

(a) Each licensee shall submit to the commissioner, at such licensee's own expense, an audit report containing audited financial statements covering the calendar year or, if such licensee has an established fiscal year, then for such fiscal year, within 105 days after the close of each such calendar or fiscal year. At such time, each licensee shall also file such additional relevant information as the commissioner may require.

Financial Code section 17602.5 provides in pertinent part as follows:

If any licensed escrow agent fails to make any reports required by law or by the commissioner within ten (10) days from the date designated for the making of the reports, or within any extension of time granted by the commissioner, . . . such failure shall constitute grounds for the suspension or revocation of the

1 license held by such escrow agent.

2 Financial Code section 17608 provides in pertinent part:

3 The commissioner may, after notice and a reasonable opportunity to be heard,
4 suspend or revoke any license if he finds that:

5 (b) The licensee has violated any provision of this division or any rule
6 made by the commissioner under and within the authority of this division.

7 **IV.**

8 The Complainant finds that, by reason of the foregoing, Dependable Escrow Co. has violated
9 Financial Code section 17406 which constitutes grounds for the revocation of its escrow agent's
10 license.

11 WHEREFORE, IT IS PRAYED that the escrow agent's license of Dependable Escrow Co. be
12 revoked.

13 DATED: September 19, 2008
14 Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

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16 By _____
17 Blaine A. Noblett
18 Corporations Counsel
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